

Message Text

LIMITED OFFICIAL USE

PAGE 01 PORT O 00255 01 OF 02 021843Z

43

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 IO-11 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 XMB-02 OPIC-03 /114 W
----- 013020

R 021744Z FEB 76

FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 8750
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY GEORGETOWN
AMEMBASSY KINGSTON
AMEMBASSY NASSAU
USDEL MTN GENEVA
USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 1 OF 2 PORT OF SPAIN 0255

E.O. 11652: N/A

TAGS: ETRD, MTN, XL

SUBJECT: EMBASSY MEETING WITH WEST INDIES RUM PRODUCERS

REF: STATE 20089, BRIDGETOWN 0012, PORT OF SPAIN 0128,
75 PORT OF SPAIN 2308 (ALL NOTAL)

SUMMARY: CHARGE AND ECON OFFICER MET JANUARY 28 WITH
REPRESENTATIVES OF WEST INDIES RUM AND SPIRITS PRODUCERS
ASSOCIATION (WIRSPA), AT LATTER'S REQUEST, TO DISCUSS U.S.
DUTY ON RUM. WIRSPA DELEGATES WERE GENERALLY SYMPATHETIC TO
EXPLANATION OF U.S. POSITION, BUT THEY ARE DETERMINED TO PUSH
THEIR CASE FOR A DUTY REDUCTION, BOTH IN MTN AND BILATERALLY
IN WASHINGTON. EEC POSITION ON ACCESS FOR WEST INDIAN
RUM WAS STRONGLY CRITICIZED, AND WIRSPA FAULTED THEIR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PORT O 00255 01 OF 02 021843Z

GOVERNMENTS' REPRESENTATIVES FOR NOT PRESSING STRONGLY

ENOUGH WITH REGARD TO RUM IN INTERNATIONAL TRADE
NEGOTIATIONS. EMBASSY DOES NOT KNOW IF WIRSPA DECIDED
TO HIRE WASHINGTON LOBBYIST OR NOT. END SUMMARY.

1. CHARGE WAS INVITED BY T&T SENATOR GATCLIFFE, CHAIRMAN
OF WIRSPA AND MANAGING DIRECTOR OF ANGOSTURA BITTERS LTD.,
TO DISCUSS U.S. POSITION ON DUTY ON RUM AT JANUARY 28
MEETING OF WIRSPA. DELEGATES WERE PRESENT FROM RUM
PRODUCERS ASSOCIATIONS IN ANTIGUA, BAHAMAS, BARBADOS,
GUYANA, JAMAICA AND TRINIDAD. ONE PURPOSE OF MEETING WAS
TO DETERMINE IF WIRSPA SHOULD HIRE SERVICES OF FIRM OF
U.S. LOBBYISTS (SEE BRIDGETOWN 0012) TO ASSIST IN OBTAINING
REDUCTION IN U.S. DUTY ON RUM.

2. CHARGE AND ECON OFFICER REFRAINED FROM COMMENTING ON
MERITS OF HIRING A LOBBYIST, BUT OUTLINED U.S. COMMITMENT
TO FREE TRADE AND CITED TOKYO DECLARATION AS EVIDENCE OF
OUR SUPPORT FOR MTN, NOTING ESPECIALLY USG POSITION THAT
ECONOMIC SITUATION OF DEVELOPING COUNTRIES WOULD BE TAKEN
INTO CONSIDERATION IN GIVE-AND-TAKE OF MTN. WE ALSO POINTED
OUT THAT IT WAS ILLOGICAL TO HAVE EXPECTED USG TO INCLUDE
RUM IN OUR GSP, SINCE GSP TREATMENT MEANT ZERO DUTY, AND
ALL THAT EVEN RUM PRODUCERS REALLY REQUESTED WAS DUTY
EQUAL TO THAT IMPOSED UPON SCOTCH, GIN AND BRANDY. WE
FURTHER EMPHASIZED THAT MTN IS A FORUM FOR MUTUAL
NEGOTIATIONS, NOT UNILATERAL CONCESSIONS, AND THAT USG
IS NOW STUDYING TARIFF LEVELS AND OTHER MEASURES EMPLOYED
BY OTHER COUNTRIES IN WHICH WE WILL SEEK CONCESSIONS
AT MTN. DRAWING ON STATE 20089, CHARGE CONFIRMED THAT
USG WOULD STAND BY AMBASSADOR EBERLE'S STATEMENT THAT RUM
TARIFF WOULD BE CONSIDERED IN CONTEXT OF MTN, AND EXPLAINED
THAT LIKELY USG POSITION NOT TO NEGOTIATE RUM IN TROPICAL
PRODUCTS GROUP DOES NOT IMPLY SIMILAR POSITION RE RUM IN
OTHER MTN ARENAS.

3. WIRSPA DELEGATES PRESENT GENERALLY ECHOED OPINION THAT
THEIR ASSOCIATIONS HAVE NOT RECEIVED VERY STRONG SUPPORT
FROM THEIR GOVERNMENTS, AND INDICATED THAT THEY DID NOT
EXPECT THEIR GOVERNMENTS' REPRESENTATIVES AT MTN DELIBERA-
TIONS TO BE PARTICULARLY EFFECTIVE OR FORTHRIGHT ON QUESTION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PORT O 00255 01 OF 02 021843Z

OF U.S. DUTY ON RUM. (THIS BELIEF, OF COURSE, IS REASON
BEHIND THEIR CONSIDERATION OF HIRING A U.S. LOBBYIST.
SEVERAL MEMBERS OF WIRSPA ARE ALSO SUGAR EXPORTERS, AND
THEY HAD FOUND USE OF A LOBBYIST INDISPENSABLE IN OBTAINING
QUOTAS AND DEALING WITH INTRICACIES OF U.S. SUGAR LEGISLATION.)

4. RUM PRODUCERS ARE WELL AWARE OF PUERTO RICO'S RELIANCE
ON REVENUE FROM EXCISE TAX ON SALES OF PUERTO RICAN RUM IN

THE U.S., AND EMBOFFS POINTED OUT THAT THIS PROVISION IS SPECIFICALLY RETAINED IN DRAFT COMPACT OF PERMANENT UNION BETWEEN PR AND US PREPARED LAST OCTOBER. WIRSPA REPRESENTATIVES PROFESSED TO BELIEVE THAT THEIR RUMS COULD NOT OBTAIN A LARGE (I.E. 25 PERCENT) SHARE OF U.S. RUM MARKET, AND DECRIED PUERTO RICAN CLAIM THAT A REDUCTION IN DUTY WOULD RESULT IN DECLINE IN SALE OF PUERTO RICAN RUM SO GREAT THAT IT WOULD CAUSE A SUBSTANTIAL DROP IN PUERTO RICAN GOVERNMENT REVENUE. THEY ALSO SUGGESTED SEVERAL INNOVATIVE SOLUTIONS TO THIS PROBLEM, SUCH AS A STIPULATION THAT ALL EXCISE DUTIES ON RUM--WHATEVER ITS ORIGIN--BE PAID TO P.R. GOVERNMENT.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PORT O 00255 02 OF 02 021844Z

43

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 IO-11 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 XMB-02 OPIC-03 /114 W
----- 012977

R 021744Z FEB 76

FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 8751
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY GEORGETOWN
AMEMBASSY KINGSTON
AMEMBASSY NASSAU
USDEL MTN GENEVA
USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 2 OF 2 PORT OF SPAIN 0255

5. AFTER-LUNCH SESSION OF WIRSPA MEETING WAS DEVOTED TO

BRIEF PRESENTATION BY U.K. TRADE OFFICER, SOON TO BECOME EEC RESIDENT REPRESENTATIVE IN BRIDGETOWN (SEE SEPTTEL THIS SUBJECT). UNLIKE GENERALLY SYMPATHETIC RECEPTION ACCORDED TO EXPLANATION OF US POSITION ON RUM AND IN FORTHCOMING MTN, WIRSPA REPS WERE HIGHLY CRITICAL OF EEC TREATMENT OF WEST INDIAN RUM, COMPLAINING THAT GROWTH RATE PERMITTED APPLIES TO FAR TOO SMALL A BASE LEVEL OF IMPORTS. WIRSPA DELEGATES ALSO CRITICIZED PERFORMANCE OF THEIR GOVERNMENTS' REPRESENTATIVES IN NEGOTIATIONS WITH EEC, SAYING THAT ACCESS FOR WEST INDIAN SUGAR HAD BEEN OVERRIDING CONCERN, AND THAT RUM ISSUE HAD ONLY RECEIVED PERIPHERAL ATTENTION FROM WEST INDIAN GOVERNMENTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PORT O 00255 02 OF 02 021844Z

6. COMMENT: DESPITE FACT THAT ALL CONCERNED AGREED TO DISAGREE, EMBASSY BELIEVES MEETING WITH WIRSPA WAS USEFUL AND COULD BE PRODUCTIVE RE MTN. IT WAS PARTICULARLY GOOD OPPORTUNITY TO POINT OUT THAT MTN IS MUTUAL EXERCISE, AND THAT EVEN LDC'S WILL BE EXPECTED TO MAKE TRADE CONCESSIONS COMMENSURATE WITH THEIR ECONOMIC SITUATION. SINCE MANY OTHER LDC PRODUCERS WILL HAVE BENEFITTED FROM U.S. GSP, FACT THAT WIRSPA STILL SEEKS U.S. DUTY CONCESSION MAY SPUR WEST INDIAN GOVERNMENTS INTO CONSIDERATION OF WHAT CONCESSIONS THEY MAY OFFER AT MTN IN ORDER TO SECURE U.S. ACTION ON RUM TARIFF. EMBASSY REPRESENTATIVES CONSISTENTLY DECLINED TO RESPOND TO WIRSPA'S FREQUENT REQUESTS FOR A RECOMMENDATION RE HIRING A U.S. LOBBYIST, AND GROUP APPEARED DIVIDED ON THAT ISSUE. PRINCIPAL CONCERN APPEARED TO BE FEAR THAT WITHOUT LOBBYIST ASSISTANCE IT COULD LITERALLY BE YEARS BEFORE TOKYO ROUND OF NEGOTIATIONS GOT TO THE RUM ISSUE. CHARGE NOTED ASPECTS OF U.S. TRADE LEGISLATION WHICH COMMIT USG TO RELATIVELY PROMPT CONCLUSION OF MTN NEGOTIATIONS, HOWEVER, AND UNLIKELY PROSPECT THAT SUCH NEGOTIATIONS WOULD PROCEED INDEFINITELY WITHOUT CONCLUSION. WIRSPA DELEGATES WERE UNANIMOUS IN WARM APPRECIATION FOR OPPORTUNITY FOR DIRECT EXCHANGE OF VIEWS AND COMMENTED THAT THEY FOUND THIS DIFFICULT WITH CERTAIN OTHER COUNTRIES' REPRESENTATIVES.
RICH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, TARIFFS, RUM
Control Number: n/a
Copy: SINGLE
Draft Date: 02 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PORTO00255
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760039-0168
From: PORT OF SPAIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760291/aaaadcgb.tel
Line Count: 213
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 20089, 76 BRIDGETOWN 12, 76 PORT OF SPAIN 128
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by ElyME>; APPROVED <24 MAR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY MEETING WITH WEST INDIES RUM PRODUCERS
TAGS: ETRD, US, XL, MTN, WIRSPA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006